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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Jim Cooper
House of Representatives
125 Cannon House Office Building
Washington, D.C. 20515-4204

Dear Congressman Cooper:

Thank you for your letter regarding the Commission's ongoing rulemaking proceeding examining issues related to interexchange carrier proprietary calling cards and 0+ access. We share your concern in protecting the interests of all consumers who want to reach the carrier of their choice conveniently. We have included your letter in the record, and have taken your views into account in reaching our conclusions in this phase of the docket.

At its October 8, 1992 open meeting, the Commission adopted requirements concerning AT&T's proprietary calling card to ensure the availability of accurate access information for consumers placing 0+ long distance calls over public phone lines. Specifically, AT&T will be required to make certain changes in its dialing instructions and to make its current 800 access code number easier to use. AT&T must educate its cardholders to check public phone notices, to use 0+ access only at phones identified as presubscribed to AT&T, and to use an AT&T access code at all other phones. The Commission is also seeking comment on possible methods for compensating operator service providers who receive 0+ dialed proprietary card calls and transfer those calls to AT&T for completion.

The Commission also sought comment on other proposals, including an interim solution known as "0+ public domain." Under this proposal, interexchange carriers would either share with other interexchange carriers the validation and billing data for any calling card that is used with the 0+ form of access, or instruct their proprietary cardholders to dial access codes when placing card calls from public phones.

The Commission found that 0+ public domain would not be an appropriate interim remedy primarily because of the customer inconvenience it would cause. Under that remedy, which permits AT&T to keep its CIID cards proprietary, AT&T's 25 million CIID cardholders would be instructed to dial an AT&T access code, even from public phones for which 0+ dialing would suffice. The Commission also concluded that the costs of implementing 0+ public domain outweighed the limited benefits it would likely entail. As a result, the Commission declined to adopt the 0+ public domain remedy in favor of a more focused set of consumer education requirements.

Enclosure 24
USAGDC

Honorable Jim Cooper

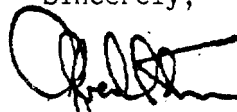
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We believe that consumer education and related measures, such as making AT&T's 800 access number easier to use, will be effective interim solutions to the competitive situation in the operator services market. If AT&T educates its customers to check public phone signs before dialing, its competitors should receive significantly fewer misdirected calls. AT&T's own customers should benefit from being able to complete their card calls as dialed in accordance with revised instructions. AT&T will be required to file with the Commission its plan for meeting this consumer education mandate, and the Commission will review all educational materials AT&T prepares to ensure that these materials effectively inform consumers of proper dialing instructions.

These actions, together with the requirements of the Telephone Operator Consumer Services Improvement Act and our rules mandating the unblocking of 10XXX access codes under a prescribed schedule, should make away-from-home calling more user-friendly.

The requirements imposed on AT&T are intended as interim measures, pending resolution of the next phase of the Commission's Billed Party Preference proceeding, which could require that 0+ calls be sent to the operator service provider chosen by the party paying for the call. The Commission may reexamine the interim remedies it adopted this month at that time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alfred C. Sikes', with a stylized flourish at the end.

Alfred C. Sikes
Chairman

Special Congressional

CONGRESSIONAL ISSUE TRACKING SYSTEM
Oct 7, 1992

SPECIAL CONGRESSIONAL REPORT

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| Congressman | Jim Cooper | ACS |

| CONSTITUENT'S NAME | SUBJECT |
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| personal view | inq: problems with using calling cards |

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REMARKS:

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October 6, 1992

The Honorable Alfred C. Sikes
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

Dear Chairman Sikes,

I am writing to advise you of my support for a proposal currently before the Commission concerning proprietary calling cards.

As the original author and sponsor of The Telephone Operator Consumer Services Improvement Act of 1990 (P. L. 101-435), I have long considered the most troubling aspect of the operator services industry to be the high rates consumers sometimes pay. I sought to provide in my original legislation ironclad price protection for consumers by imposing a rate cap on providers of operator services.

Although this rate cap was not adopted by the Congress, the law does provide a mechanism for the FCC to review rates that appear to be excessive and directs the Commission to act based on the results of that review.

I understand that recently a group of operator services providers voluntarily offered to impose a rate cap on calls being billed to proprietary cards, if the Commission agrees to allow access to AT&T's validation database. Besides the advantages this proposal may hold for competition between operator services, consumers will benefit in that a significant portion of operator assisted traffic will now be carried at lower rates, and with much less frustration from swifter call processing.

Since the industry is voluntarily seeking a price ceiling for such proprietary card calls and since this change is designed to make the market work in a way consumers have come to expect, this proposal should not create burdensome regulation.

When the Commission considers this proposal at its October 8 meeting, I hope you will remember one of the guiding principles of

The Honorable Alfred C. Sikes

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the operator services law, namely, that consumers benefit from a multiplicity of providers only if rate and service competition ensue. This appears to be a promising step in that direction and I urge its adoption.

Sincerely,

JIM COOPER
Member of Congress